



The Competitive Carriers Association

December 13, 2011

The Honorable Jay Rockefeller
United States Senate
Senate Commerce Committee

The Honorable Kay Bailey Hutchison
United States Senate
Senate Commerce Committee

The Honorable Fred Upton
U.S. House of Representatives
House Energy & Commerce Committee

The Honorable Henry Waxman
U.S. House of Representatives
House Energy & Commerce Committee

Dear Chairmen Rockefeller and Upton and Ranking Members Hutchison and Waxman,

Appropriately structured spectrum auctions have helped to advance competition and innovation in the wireless industry while generating billions of revenue for the U.S. Treasury. Consistent with its existing authority in the Communications Act, the Federal Communications Commission has created and implemented auction rules that foster competition, investment and deployment of new technologies and services, and economic opportunities for a wide variety of applicants, including new entrants, small businesses, and a diverse set of spectrum holders. As Congress considers extending FCC licensing authority to spur future deployment of mobile broadband throughout the nation, this authority must not be restricted to ensure this continues.

The Congressional Budget Office has estimated future spectrum auctions will generate \$15 billion in revenue. If Congress desires to generate this amount, or possibly more, spectrum auctions must be structured to ensure maximum participation by a broad group of applicants. Appropriate eligibility and license conditions encourage greater participation, resulting in competition both in the auction room and in the marketplace. Historically, increasing the number of auction bidders from two or three to five or more has led to a revenue increase of over 90%.

Additionally, eligibility and license conditions can prevent anticompetitive market concentration while promoting economic opportunity, competition, innovation, and removing barriers to entry. These types of conditions have proven critical to the rapid expansion of wireless services and economically successful auctions, raising over \$50 billion.

The nation's finite spectrum resource has the potential to foster revenue generation and, more importantly, continued private sector investment, job creation, and provision of advanced mobile broadband services for all Americans. As the expert agency charged with licensing and managing this taxpayer-owned resource, the FCC must maintain the authority to ensure this potential is realized.

Section 4105 of the current version of the Middle Class Tax Relief and Job Creation Act of 2011 may restrict existing authority to the detriment of competition and revenue generation, and accordingly we cannot support this provision and urge its removal from the legislation.

Sincerely,

Atlantic Tele-Network

Bluegrass Cellular

Cincinnati Bell Wireless

Cricket Communications

C Spire Wireless

GCI Communication Corp.

NorthwestCell

Sprint Nextel

US Cellular

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